(c) SEBI is keeping a constant vigil on the market, irrespective of the levels of the Sensex and has taken immediate action wherever warranted. SEBI and the Exchanges have put in place systems and practices to promote a safe, transparent and efficient market and to protect market integrity. The systems include advanced risk management mechanisms comprising on-line monitoring and surveillance and various limits on positions, margin requirements, circuit filters, etc. which reduce the scope for excessive volatility in the market.

Multi-level taxation system on petro-products

†*77. SHRI AJAY SINGH CHAUTALA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that following multi-level taxation system, prices of petro-products are increased from time to time;

(b) whether Government propose to formulate a consumer-friendly pricing policy by doing away with multi-level taxation system and making production cost as the basis for pricing; and

(c) if so, by when?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) As per the Constitution, Central Government, State Governments and Local bodies are eligible to levy taxes. Thus taxes are levied at the Central level, State level and Local levels. Changes in rates of taxes at various levels results in changes in prices of petroleum products. The current duty structure on petroleum products at the Central Government level is given in the Statement (*See* below).

(b) and (c) The Central Government has consistently followed a consumer friendly pricing policy. Consequently, the burden of high international oil prices is being shared by the oil PSUs and the Government and not borne by the consumer.

Central Government has reduced taxes from time to time to protect the vulnerable section of the society. Central taxes—both customs duties and excise duties—have been made nil for PDS kerosene and domestic LPG. In addition domestic LPG has been placed under the category of 'Declared Goods' restricting the ability of the State Governments to levy taxes in excess of 4%. Further, customs duties on all petroleum products and crude have come down during the tenure of UPA Government.

Customs Duties	As on 9.7.2004	As on 19.8.2004	As on 1.3.2005	As on 14.6.2006	As on 1.3.2007
Crude	10	10	5	5	5
Motor Spirit	20	15	10	7.50	7.50
Diesel	20	15	10	7.50	7.50
Kerosene (PDS)	10	5	Nil	Nil	Nil
LPG	10	5	Nil	Nil	Nil

To protect the vulnerable section of the society, Government has not increased the prices of PDS kerosene and domestic LPG over last three years. Further there has been no increase in prices of petrol and diesel during the current year.

Government is partly compensating the PSU Oil Marketing Companies towards their under recoveries resulting from moderating the impact of high international oil prices on retail prices of sensitive petroleum products through issue of oil bonds.

† Original notice of the question was received in Hindi.

During the Administered Pricing Mechanism (APM), cost of production formed the basis for consumer prices. However APM has been dismantled effective 1.4.2002.

Statement

Duty structure of the Central Government

Items	Basic Customs Duty	Central Excise Duty	Cess/Special Additional Excise Duty
Crude	5%	Nil	Rs. 2500 per tonne
Petrol (MS)	7.5%	6%+Rs. 5/litre	Rs. 2 per litre+Rs. 6 per litre
Diesel (HSD)	7.5%	6%+Rs. 1.25/liture	Rs. 2/litre
LDO	10%	16%+Rs. 2.5/litre	—
Naphtha	5%	16%	—
LPG domestic	Nil	Nil	—
LPG	5%	8%	—
SKO PDS	Nil	Nil	—
SKO	10%	16%	—
LNG	5%	Nil	—
Other Products	10%	16%	—

Mangalore International Airport

*78. SHRI JANARDHANA POOJARY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the State Government of Karnataka has handed over 187 acres of land to AAI for expansion and development of Mangalore Airport as an International Airport and the State is prepared to sanction additional land for extension of runway and construction of approach road, if required; and

(b) if so, the details thereof and the Centre's response thereto?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) State Government of Karnataka (GoK) handed over 186.33 acres of land to Airports Authority of India (AAI) on 31.10.2003 for the construction of a new runway (06/24) and a new terminal building. GoK further provided 156.44 acres of land to AAI between December 2005—September 2006 for the construction of a link taxi-way to link the new runway (06/24) with the old runway (09/27), new fire-station, new technical block, control-tower and additional land required for the new terminal building. AAI has further requested to GoK to provide 109.45 acres of additional land for the construction of a parallel taxi-way for the new runway, widening of the basic strip of the new runway, and construction of a link-road to connect the city approach-road to the new terminal building.

GoK has offered to provide additional land for the extension of the length of the new runway (06/24) from 8000 ft to 9000 ft and more. The land offered is in a valley which is 75 to 80 meters deep. A detailed techno-economic feasibility study, environment impact assessment and safety assessment are required to be done as it involves huge earth-filling. AAI is also examining the possibility of limited extension of the runway within the available land.